

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3574-07  
Bill No.: HCS for SCS for SB 583  
Subject: Insurance - Medical; Insurance Dept.  
Type: Original  
Date: May 3, 2010

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Bill Summary: Entitles consumers with long-term insurance policies and Medicare supplement policies to premium refunds for unearned portions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	(Unknown greater than \$1,022,765)	(Unknown greater than \$1,387,168)	(Unknown greater than \$1,411,557)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$1,022,765)</b>	<b>(Unknown greater than \$1,387,168)</b>	<b>(Unknown greater than \$1,411,557)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 22 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>
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FUND AFFECTED	FY 2011	FY 2012	FY 2013
Psychology	\$0	\$23,738	(\$12,229)
PR Fees	(\$15,923)	\$0	\$0
Insurance Dedicated	Up to \$5,000	\$0	\$0
Road	(Unknown exceeding \$48,350)	(Unknown exceeding \$98,020)	(Unknown exceeding \$98,020)
Criminal Records	Unknown	Unknown	Unknown
Conservation Commission	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Other	(\$71,673)	(\$143,345)	(\$143,345)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown exceeding \$180,946)</b>	<b>(Unknown exceeding \$317,627)</b>	<b>(Unknown exceeding \$353,594)</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal	(\$125,152)	(\$250,303)	(\$250,303)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$125,152)</b>	<b>(\$250,303)</b>	<b>(\$250,303)</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013

General Revenue	1	1	1
Federal	1	1	1
<b>Total Estimated Net Effect on FTE</b>	<b>2</b>	<b>2</b>	<b>2</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>(Unknown exceeding \$425,725)</b>	<b>(Unknown exceeding \$774,990)</b>	<b>(Unknown exceeding \$774,990)</b>

## FISCAL ANALYSIS

### ASSUMPTION

HWC:LR:OD

Officials from the **Office of State Courts Administrator, Missouri Senate** and **Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate the legislation will not significantly alter its caseload. However, if similar bills also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Office of the Governor (GOV)** state no added costs are anticipated for the GOV as a result of this bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources. If there is an increase in the number of cases brought by the AGO, the AGO may seek additional appropriations.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 09 average of \$3.71 per offender, per day, or an annual cost of \$1,354 per offender). The DOC assumes the narrow scope of the crime will not encompass a large number of offenders and the low felony status enhances the possibility of plea-bargaining or imposition of a probation sentence. The probability also exists that offenders

ASSUMPTION (continued)

would be charged with a similar, but more serious offense, or that sentences may run concurrent

to one another. Therefore, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Public Safety (DPS) - Director's Office** assume the proposal has no impact on their organization. However, to the extent the proposal makes any changes on health insurance, the DPS defers to the Missouri Consolidated Health Care Plan for its fiscal note response.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** state, if enacted, this bill would require each person wishing to practice as a licensed behavior analyst or a licensed assistant behavior analyst to submit to a background check through the State Criminal History Repository. Because there is no way to accurately estimate this number, the MHP assumes an unknown impact.

However, the charge for each background check processed is \$39.25 - twenty dollars (\$20) for the state fingerprint check and an additional \$19.25 for the nationwide federal check. The state retains the \$20. Of the \$19.25, the state pays the FBI \$17.25 and keeps \$2 for a pass-thru fee.

In addition, the MHP defers to the Missouri Department of Transportation for response regarding the potential fiscal impact of insurance portion of this fiscal note on the MHP.

Officials from the **Department of Elementary and Secondary Education (DES)** assume, in regards to §§ 337.300 - 337.340, that the proposal will have no fiscal impact on their department but there will be increased costs to all insurance patrons, including self-insured school districts. DES officials state there is no way to estimate the increase in costs.

#### Section 1.2:

Officials with the USDA did not have a problem with adding an attachment to the application for the free and reduced lunch program. However, the attachment would have to state that the absence or presence of a checked box indicating the family's health insurance coverage, or lack thereof, is in no way related to eligibility for meal benefits. The DES does not anticipate significant costs for adding an attachment to the application. The DES defers to local school districts and state-licensed child care providers regarding costs incurred to print, assemble, and disseminate the attachment.

#### ASSUMPTION (continued)

#### Section 1.6:

This portion of the language would require the reporting of information regarding the “number of families.” School districts report to DES the number of children receiving free and reduced lunch; the DES has no means to deduce the number of families.

Officials from the **Missouri Department of Transportation (DOT)** provide the following information regarding the proposal:

#### Section 376.1224

Currently the DOT/ MHP medical plan excludes services and supplies for conditions related to autistic disease of childhood, milieu therapy, learning disabilities, mental retardation, or for inpatient admission for environmental change if the medical claims are recognized as services for autistic disease.

The actuary for the DOT/MHP Medical Plan (Plan), Watson Wyatt Worldwide, has researched the fiscal impact if the Plan is required to provide this coverage. It is likely that the DOT is currently covering a substantial part of the costs for these claimants already, under the medical/prescription benefits of the Plan. The best source of data is a study performed by a Harvard School of Public Health professor. Assuming the DOT population has incidence similar to the estimate in the study (1.0 million to 1.5 million out of a total U.S. population of 300 million), that would suggest approximately 0.3% - 0.5% of DOT's and MHP's active membership, or about 48 - 80 members, an unknown number which would be children, would have autism spectrum disorder.

Using the average cost of \$29,000 for medical treatment as listed, the total cost for these individuals might be as high as \$2.3 million. However, costs are going to vary widely depending on the individual and the Plan may currently cover 75% or more of this cost under the plan.

Therefore, although there will not be a fiscal impact to the Missouri Highway and Transportation Commission (MHTC), there would be a fiscal impact to the Plan. The impact cannot be determined, but is assumed to be greater than \$100,000 annually.

#### Section 376.882

Section 376.882 dealing with refunds states “if a Medicare supplement policy is issued, delivered or renewing in this state on or after January 1, 2011 is cancelled for any reason, the insurer will refund the unearned portion of any premium paid.” The Plan's current policy is not to issue refunds based on the scenario. Therefore, there this change may impact the Plan. The DOT assumes the impact would be less than \$100,000 annually.

ASSUMPTION (continued)

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation

would have a fiscal impact on MDC funds. The exact amount of the impact is unknown, but is expected to exceed \$100,000 annually.

Officials from the **Department of Health and Senior Services (DOH)** state the legislation creates a new category of behavioral analyst licensed professionals. The number of autism-related behavioral analysts in the state of Missouri is considered unknown. Therefore, the corresponding number of required registrations in the Family Care Safety Registry and the associated costs are also considered to be unknown.

**Oversight** assumes the DOH can absorb the increase in registrations to the Family Care Safety Registry. However, if the number of registrations increase significantly, the DOH can request additional funding through the appropriations process.

Officials at the **Department of Revenue (DOR)** provide the following assumptions regarding the proposed legislation:

#### **Administrative Impact:**

##### **Driver License Bureau (DLB):**

**Section 303.025.1** includes nonresidents, which will require the DLB to impose a mandatory insurance suspension on any uninsured nonresident involved in a motor vehicle accident reported to the DLB. Modifications to the Missouri Drivers License (MODL) programs and suspension notices will require the DLB staff to complete the program design, internal testing and implementation phases. The DLB estimates this will require a total of one month of overtime estimated to cost \$9,096. The Department's website, procedure manuals and the Missouri Driver Guide will be updated using existing resources.

The proposal increases the number of mandatory insurance suspension notices generated by 399, according to the FY 09 number of uninsured nonresidents. Assuming 33% of those would be reinstated, an additional 132 reinstatement notices will be generated. The DLB will incur costs for printing the suspension notices and reinstatement notices, as well as the expenses for envelopes and postage. Costs are estimated to be \$226 for FY 11; \$279 for FY 12; and \$288 for FY 12. If the volume of accident reports increase as a result of this proposal, additional FTE will need to be requested through the appropriations process.

**Section 303.025.2** requires nonresident vehicle owners to maintain financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence. DLB staff will be required to research the laws of each state to determine the limits of liability and acceptable proof of financial responsibility of each state. The new compliance procedures and training materials will be researched and prepared by the Revenue Section Supervisor during the implementation phase and is estimated to cost \$800.

ASSUMPTION (continued)

**Section 303.025.3(4)** and **303.040.3** duplicates current efforts.

Total costs for the DLB section are estimated to be \$14,362 for FY 11; \$279 for FY 12; and \$288 for FY 13.

**Office of Administration Information Technology Division (DOR/OAIT):**

The DOR's response to a similar proposal in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff, and the limitations within the department's driver license system, changes cannot be made without significant impact to the DOR's resources and budget. Therefore, the information technology portion of the fiscal impact is estimated to cost \$4,240.

**Revenue Impact:**

The proposal includes nonresidents in the mandatory insurance suspension process. In FY 09, there were 399 uninsured nonresidents reported. The DOR assumed 399 uninsured nonresidents to determine the number of additional mandatory insurance suspensions for the next fiscal year, that these were first offenses carrying a \$20 reinstatement fee, and 33% would be reinstated (132). These assumptions result in the generation of an additional \$2,640 in reinstatement fees collected (132 X \$20). Revenue will be distributed 75% to Highways, 15% to Cities, and 10% to Counties.

**Oversight** assumes the DOR can absorb the supplies and postage costs for FY 12 and FY 13.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** provide the following estimates for this proposal:

**Licensing provisions:**

The DIFP estimates 1,150 individuals in the state of Missouri will be required to be licensed under the proposed legislation (100 Behavioral Analysts, 50 Assistant Behavioral Analysts, and 1,000 Line Therapists). The DIFP projects a 3% growth rate in licensees. It is estimated that collection of initial license fees will begin in FY 12 and renewal fees will not be collected until FY 14.

Fiscal Year 12 licensing revenue for all categories of licensure is estimated to be \$37,500; FY 13 licensing revenue is estimated to be \$1,200. It is assumed that all fees collected would be deposited into the State Committee for Psychology Fund and that all expenses would be paid out ASSUMPTION (continued)

of that fund. It is also assumed no revenue will be generated by the Behavioral Analyst Advisory



Board in FY 11. Therefore, expenses incurred by the board will be paid back to the PR fees Fund by a lending board within the division, pursuant to section 324.016, RSMo. It is estimated payback of any outstanding loans would be made in FY 14. However, should the number of licensees vary significantly from the number estimated above, the licensure fees will be adjusted accordingly.

During the first year of implementation, the State Committee of Psychologists will promulgate rules and review applications for licensure until the Board of Behavioral Analysis can be appointed. FY 11 board meeting costs for the State Committee of Psychologists are estimated to be \$1,008. FY 12 and FY 13 board meeting costs for the Behavioral Analysis Board are estimated to be \$4,497 annually for 7 members, including per diem, meals and travel reimbursement.

Based on a board of similar size, it is estimated that the board will receive approximately 28 complaints annually. It is estimated that 30% of the complaints (8) would require field investigation and 50% of the complaints that are investigated (4) would require an investigator to incur overnight expenses. The division does not anticipate receiving any complaints until FY 12. Annual investigative expenses are estimated to be \$1,136 beginning in FY 12.

Costs are calculated for services provided to the division by the Attorney General's Office and the Administrative Hearing Commission. It is anticipated these costs will be incurred beginning in FY 12 and are based on a board of similar size. Annual Attorney General's Office and Administrative Hearing Commission expenses are estimated to be \$300.

During the first year of implementation, costs for the design, program and implementation of a licensure system for the new board are estimated to be \$540.

The DIFP estimates printing and postage expenses for FY 11 to be \$14,375. FY 12 and FY 13 printing and postage costs are estimated to be \$7,795.

#### Insurance provisions:

Insurers would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000

#### ASSUMPTION (continued)

Additional staff and expenses are not being requested with this single proposal, but if multiple

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proposals pass during the legislative session which require policy form reviews, the DIFP will need to request additional staff to handle the increase in workload.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the legislation would require the HCP to provide coverage for Autism Spectrum Disorders (ASD), specifically requiring coverage for Applied Behavioral Analysis (ABA) therapy for children through 18 years of age. According to the Center for Autism and Related Disorders, ABA is defined as, “The process of systematically applying interventions based upon the principles of learning theory to improve socially significant behaviors to a meaningful degree, and to demonstrate that the interventions employed are responsible for the improvement in behavior.”

The Department of Insurance, Financial Institutions, and Professional Registration provided the HCP with an Actuarial Cost Estimate conducted by Oliver Wyman in February, 2009, that looks at the potential costs associated with ASD and mandating ABA therapies. Their study reported that implementing the mandate would cause health insurance premiums to increase by less than 1%. Although the HCP has not conducted its own study, it is relying on other actuaries certifying the methodology in the Oliver Wyman study.

The Centers for Disease Control (CDC) and Harvard Medical School released joint reports in the October 5, 2009 issue of *Pediatrics* finding that the ratio of children with ASD is approximately 1 out of 91 U.S. children.

An October 29, 2007 study, “Management of Children with Autism Spectrum Disorders” published in *Pediatrics* reported “...the effectiveness of ABA-based intervention in ASD has been well documented through five decades of research...Children who receive early intensive behavioral treatment have been shown to make substantial, sustained gains in IQ, language, academic performance and adaptive behavior...” Therefore, the expenditure projected reflects costs based on age and utilization required to fund the mandate in FY 11. It is unknown how many children will actually qualify or will require ABA treatment since diagnosis, assessment and treatment standards are not in place (Missouri 2007 Blue Ribbon Panel on Autism recommendations #17 and #21).

The HCP currently covers 24,408 children in the State plan and 152 children in the Public Entity Plan through age 18. Age categories are broken down in the chart below along with the projected utilization rates by month by the Wyman Study. The utilization projection is based on: 1) The average age for a first time autistic diagnosis of age 3; 2) On the level of publicity surrounding the proposal; and 3) the rarity of insurance coverage for autism diagnoses currently. Utilization ASSUMPTION (continued)

of treatment reflects 2009 actuarial studies and other states’ experience. NOTE: This is not an

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actuarial study of the cost of the autism proposal, but a mathematical calculator designed to show the cost to HCP based on the current Senate bill amounts and other actuarial studies.

Age in Years	# of covered children	Prevalence rate MO = 1:158	Utilization	ABA Annual Cost	
				Per child	Cost of ABA
3-6	5,110	32.34	63%	\$36,000	\$727,924
7-9	4,185	26.49	23%	\$36,000	\$223,093
10 -18	15,113	95.65	4%	\$36,000	<u>\$151,640</u>
<b>Total FY 11 Cost</b>					<b><u>\$1,102,657</u></b>

The HCP assumes the Missouri-specific prevalence ratio of 1:158 accurately predicts costs and that these costs would be passed directly to the HCP, requiring an additional appropriation beginning FY 11, FY 12, and FY 13 of \$1,102,657 (approximately 0.2% of projected total FY 11 plan costs ). For the Public Entity plan, premiums would need to be increased to cover the additional \$5,650 in increased costs estimated for FY 11, FY 12, and FY 13.

Officials from the **Parkway School District** state they have approximately 1,500 children in their self-insured plan. There may be 15 or so with autism. Of those 15 children, about half would need more services/aid than the Parkway School District plan offers. It is assumed the increase in cost to the plan would be approximately \$200,000 per year.

In response to similar legislation, officials from the **Francis Howell School District (Francis Howell)** estimated, based on the current population of students at Francis Howell, this proposal would cost the district approximately \$830,000 for half of FY 11 and \$1.6 million each for FY 12 and FY 13 to provide health insurance coverage for autism spectrum disorders.

Based on additional information provided by Francis Howell on February 25, 2010, **Oversight** assumes the increase in insurance costs for this proposal to Francis Howell would be \$83,000 for FY 11 and \$160,000 for each FY 12 and FY 13.

In response to similar legislation (HCS for HBs 1311 & 1341, LR# 3679-03) officials from the **Special School District (SSD)** stated they are currently covered under a self-insured medical insurance plan. It is estimated there are approximately 10 dependents covered by the plan that may receive autism services as a result of the mandate in this proposal. The SSD estimates the proposal will cost an estimated \$360,000 per year.

#### ASSUMPTION (continued)

In response to similar legislation (HCS for HBs 1311 & 1341, LR# 3679-03), officials from the

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**City of Centralia (Centralia)** state the proposal would likely impact the expenses for group health insurance, although they cannot currently calculate the amount of the impact. At the present time, Centralia has 31 covered employees and pays 100% of employee and family premiums.

In response to similar legislation (HCS for HBs 1311 & 1341, LR# 3679-03), officials from the **City of St. Louis** stated they were unable to determine a fiscal impact for the proposal at the present time.

Officials from the **Department of Social Services (DOS) - MO HealthNet Division (MHD)** provide the following assumptions for this proposal:

Section 354.442:

There is no fiscal impact to the Department of Social Services. If anything, this proposal could reduce the HMO's administrative costs by relying more on electronic communication, rather than paper copies. Since state statute already requires that this information be provided only upon request of an enrollee or prospective enrollee, this bill is merely a clarification. What is new is setting a time-frame in which the information must be supplied; i.e., 15 business days.

Section 376.1224.13 - Autism exclusion for MHD:

This section specifically excludes MoHealthNet programs as described in chapter 208, therefore, there is no fiscal impact.

Section 1.1:

Increased utilization is expected as a result of this legislation. It is unknown how many additional children will enroll in CHIP, but assuming, as an example 1,000 additional children enrolled in the CHIP program, the following fiscal impact could be anticipated:

**Cost per Eligible:**

Based on YTD FY 10 actual expenditures, the average monthly cost per CHIP eligible is \$191.08 (includes \$7.74 for the Department of Mental Health services). Some families pay a premium which would offset some of the cost. The current average premium collected is \$30.29.

Assuming 1,000 additional eligible children in the CHIP program, the total monthly cost of both groups (premium- and non-premium-paying families) is \$191,080. The total annual cost is \$2,292,960.

ASSUMPTION (continued)

Assuming the same ratio of premium and non-premium participants as currently in the program

would result in total additional premium income of \$125,401 annually; therefore, the estimated cost for 1,000 participants is:  $\$2,292,960 - \$125,401 = \$2,167,559$ .

The federal match received for the CHIP program is 74.30%. A trend factor of 3.7% is applied to FY 2012 and FY 2013 costs.

For FY 11, the fiscal impact is \$2,167,559 (\$557,063 GR), FY 12 is projected at \$2,247,759 (\$577,674 GR), and the fiscal impact for FY 13 is projected at \$2,330,926 (\$599,048 GR).

Officials from the **DOS - Family Support Division (FSD)** provide the following assumptions for this proposal:

Section 1.1:

This bill would require the FSD provide written information on MO HealthNet eligibility and application procedures to each state licensed child care provider. Local FSD offices would receive new applications or an increase in applications due to this special request.

According to the Department of Elementary and Secondary Education, there are 396 public school districts in Missouri. Based on the most recent information obtained from the US Census Bureau, there are 1,029,599 children enrolled in public school. It is the FSD's assumption that the attachment will be printed and distributed by DES. FSD will use available staff and resources to develop the attachment. Thus, there will be a zero fiscal impact for this part of the bill.

In addition, this bill would require the FSD to provide all state licensed child care providers with eligibility and application information. According to statistics from the Department of Health and Senior Services, Section for Child Care Regulation, there are a total of 4,302 regulated child care facilities in Missouri. 539 of those are license exempt. The FSD would have to provide a quantity of eligibility and application information to 3,763 state licensed child care facilities. The total capacity of the 3,763 state license child care facilities is 148,834.

The FSD determined the cost to print eligibility and application information to accommodate 148,834 children attending state license child care facilities as this: Per the Office of Administration State Printing Department, the higher the quantity of a print job, the lower the price. A total of 200,000 would cost \$3,788.

ASSUMPTION (continued)

Costs associated with the eligibility and application information will be developed with existing

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resources and staff. The FSD cannot determine how many of these children will apply as a result of this outreach. However, if even 1000 persons would apply and be found eligible, 2 additional eligibility specialists would be required. FSD used an average of 2.5 children per case. Based on the caseload standards, each eligibility specialist can have 243 MO HealthNet cases.  $(1000 / 2.5 = 400 / 243 = 1.64 \text{ or } 2)$ .

Therefore, the fiscal impact is unknown greater than \$101,823.69 in FY 11; unknown greater than \$106,563 for FY 12; and unknown greater than \$109,853 for FY 13.

**Oversight** assumes the DOS-FSD would not need rental space for 2 FTE.

Officials from the **Blue Springs School District** assumed the Section 1 of the proposal would cost approximately \$10,000 per year.

Officials from **Francis Howell School District** assumed the language in Section 1 would have no fiscal impact on their organization.

Officials from the **St. Louis Public School District** assumed a cost of up to \$50,000 for the first year and up to \$40,000 for each subsequent year for the provisions of Section 1. These costs may include software modifications needed to recognize the new information on the free and reduced meal application or attachment scanned into the system, temporary staff to identify appropriate students/families and to mail notices provided by the DOS, and notice duplication and postage costs.

Officials from the **Missouri House of Representatives, Office of Prosecution Services** and **Office of State Public Defender** did not respond to our request for a statement of fiscal impact.

No other officials from **School Districts, Cities, or Counties** responded to our request for a statement of fiscal impact.

FISCAL IMPACT - State Government

FY 2011

FY 2012

FY 2013

**GENERAL REVENUE FUND**

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Costs - DOR

Overtime and supplies expense to setup mandatory suspension of uninsured nonresidents (§§ 303.025 & 303.040)	(\$14,362)	\$0	\$0
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Costs - DOS-FSD (Section 1)

Personal service costs	(\$24,535)	(\$30,190)	(\$31,096)
Fringe benefits	(\$12,866)	(\$15,832)	(\$16,307)
Equipment and expense	(Unknown greater than \$11,017)	(Unknown greater than \$4,221)	(Unknown greater than \$4,348)
<b>Total Costs - DOS-FSD</b>	<b>(Unknown greater than \$96,836)</b>	<b>(Unknown greater than \$100,486)</b>	<b>(Unknown greater than \$103,501)</b>
FTE Change - DOS-FSD	1 FTE	1 FTE	1 FTE

Costs - DOS-MHD

CHIP enrollment (Section 1)	(Unknown greater than \$557,063)	(Unknown greater than \$577,674)	(Unknown greater than \$599,048)
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Costs - HCP

Increase in state share of health care premium costs (§376.1224)	(\$354,504)	(\$709,008)	(\$709,008)
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**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

	<b>(Unknown greater than \$1,022,765)</b>	<b>(Unknown greater than \$1,387,168)</b>	<b>(Unknown greater than \$1,411,557)</b>
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Estimated Net FTE Change on General Revenue Fund	1 FTE	1 FTE	1 FTE
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<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
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**PSYCHOLOGY FUND**

HWC:LR:OD

(§§ 337.300 - 337.345)

Transfer-In - DIFP

Transfer-in from PR Fees Fund	\$15,923	\$0	\$0
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Income - DIFP

License and renewal fees	\$0	\$37,500	\$1,200
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Expenses - DIFP

Board expenses	(\$1,008)	(\$4,497)	(\$4,497)
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AGO, AHC, investigation, postage and licensure system expenses	<u>(\$14,915)</u>	<u>(\$9,265)</u>	<u>(\$9,332)</u>
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Total <u>Costs</u> - DIFP	<u>(\$15,923)</u>	<u>(\$13,762)</u>	<u>(\$13,429)</u>
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**ESTIMATED NET EFFECT ON  
PSYCHOLOGY FUND**

<b><u>\$0</u></b>	<b><u>\$23,738</u></b>	<b><u>(\$12,229)</u></b>
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**PR FEES FUND**

Transfer-Out - DIFP

Transfer-out to Psychology Fund (§§ 337.300 - 337.345)	<u>(\$15,923)</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON PR  
FEES FUND**

<b><u>(\$15,923)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**INSURANCE DEDICATED FUND**

Income - DIFP

Form filing fees (§376.1224)	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON  
INSURANCE DEDICATED FUND**

<b><u>Up to \$5,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - State Government

FY 2011

FY 2012

FY 2013

**ROAD FUND**

HWC:LR:OD



Income - DOR

Increase in reinstatement revenue (§§ 303.025 & 303.040)	\$1,650	\$1,980	\$1,980
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Costs - DOT

Refunds of unearned Medicare supplement premiums (§376.882)	(Unknown less than \$50,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
Increase in state share of health care premium costs (§376.1224)	<u>(Unknown greater than \$50,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>

**ESTIMATED NET EFFECT ON  
ROAD FUND**

<u><u>(Unknown greater than \$48,350)</u></u>	<u><u>(Unknown greater than \$98,020)</u></u>	<u><u>(Unknown greater than \$98,020)</u></u>
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**CRIMINAL RECORDS FUND**

Income - DPS-MHP

Background check fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**ESTIMATED NET EFFECT ON  
CRIMINAL RECORDS FUND**

<u><u>Unknown</u></u>	<u><u>Unknown</u></u>	<u><u>Unknown</u></u>
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**CONSERVATION COMMISSION  
FUNDS**

Costs - MDC

Increase in state share of health care premium costs (§376.1224)	<u>(Unknown greater than \$50,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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**ESTIMATED NET EFFECT ON  
CONSERVATION COMMISSION  
FUNDS**

<u><u>(Unknown greater than \$50,000)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>
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FISCAL IMPACT - State Government

FY 2011	FY 2012	FY 2013
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**OTHER STATE FUNDS**

Costs - HCP

Increase in state share of health care premium costs (\$376.1224)	<u>(\$71,673)</u>	<u>(\$143,345)</u>	<u>(\$143,345)</u>
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<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>(\$71,673)</u></b>	<b><u>(\$143,345)</u></b>	<b><u>(\$143,345)</u></b>
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**FEDERAL FUNDS**

Income - DOS-MHD (Section 1)

Increase in program reimbursements	Unknown greater than \$1,610,496	Unknown greater than \$1,670,085	Unknown greater than \$1,731,878
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Income - DOS-FSD (Section 1)

Increase in program reimbursements	Unknown greater than \$96,836	Unknown greater than \$100,486	Unknown greater than \$103,501
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Costs - DOS-MHD (Section 1)

Increase in program expenditures	(Unknown greater than \$1,610,496)	(Unknown greater than \$1,670,085)	(Unknown greater than \$1,731,878)
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Costs - DOS-FSD (Section 1)

Personal service costs	(\$24,535)	(\$30,190)	(\$31,096)
Fringe benefits	(\$12,866)	(\$15,832)	(\$16,307)
Equipment and expense	<u>(Unknown greater than \$11,017)</u>	<u>(Unknown greater than \$4,221)</u>	<u>(Unknown greater than \$4,348)</u>

Total <u>Costs</u> - DOS-FSD	<u>(Unknown greater than \$96,8360)</u>	<u>(Unknown greater than \$100,486)</u>	<u>(Unknown greater than \$103,501)</u>
FTE Change - DOS-FSD	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - State Government</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>

**FEDERAL FUNDS (continued)**

Costs - HCP

Increase in state share of health care premium costs (§376.1224)	<u>(\$125,152)</u>	<u>(\$250,303)</u>	<u>(\$250,303)</u>
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(\$125,152)</u></b>	<b><u>(\$250,303)</u></b>	<b><u>(\$250,303)</u></b>
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Estimated Net FTE Change on Federal Funds	1 FTE	1 FTE	1 FTE
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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**LOCAL GOVERNMENTS**

Income - Cities

Increase in reinstatement revenue (§§ 303.025 & 303.040)	\$330	\$396	\$396
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Income - Counties

Increase in reinstatement revenue (§§ 303.025 & 303.040)	<u>\$220</u>	<u>\$264</u>	<u>\$264</u>
Total <u>Income</u> - Cities and Counties	<u>\$550</u>	<u>\$660</u>	<u>\$660</u>

Costs - All Local Governments

Increase in share of insurance premium costs (§376.1224)	(Unknown exceeding \$365,825)	(Unknown exceeding \$725,650)	(Unknown exceeding \$725,650)
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Costs - School Districts

Software modification, duplication and mailing costs (Section 1)	<u>(Unknown could exceed \$60,000)</u>	<u>(Unknown could exceed \$50,000)</u>	<u>(Unknown could exceed \$50,000)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(Unknown exceeding \$425,275)</u></b>	<b><u>(Unknown exceeding \$774,990)</u></b>	<b><u>(Unknown exceeding \$774,990)</u></b>
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FISCAL IMPACT - Small Business

The proposal could directly impact small businesses that provide employees with health benefits

if insurance premiums increase. Small trailer dealers could see a savings by not being required to have a dealer garage insurance policy.

#### FISCAL DESCRIPTION

**NONRESIDENT FINANCIAL RESPONSIBILITY** - Under this proposal, a nonresident shall not operate a motor vehicle in Missouri unless the nonresident maintains financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence. A nonresident who fails to maintain financial responsibility is guilty of a Class C misdemeanor (Sections 303.025 and 303.040).

**LICENSING OF BEHAVIOR ANALYSTS, ASSISTANT BEHAVIOR ANALYSTS AND LINE THERAPISTS** - The proposal establishes the Behavior Analyst Advisory Board under the State Committee of Psychologists within the Department of Insurance, Financial Institutions and Professional Registration to establish licensure and registration requirements for behavior analysts, assistance behavior analysts, and line therapists who provide applied behavior analysis therapies for children with autism spectrum disorders (sections 337.300 to 337.340). These provisions are similar to ones in HB 1311 & 1341 and HCS/SS/SB 618 (2010).

**REFUNDING MEDICARE SUPPLEMENT PREMIUMS** - Under this proposal, if a Medicare supplement policy issued, delivered, or renewed in Missouri on or after January 1, 2011, is cancelled for any reason, the insurer must refund the unearned portion of any premium paid beyond the month in which the cancellation is effective. Any refund shall be returned to the policyholder within 20 days from the date the insurer receives notice of the cancellation. Under the act, a policyholder may cancel a Medicare supplement policy by sending verbal, written, or electronic notification (Section 376.882).

**AUTISM SPECTRUM DISORDER INSURANCE COVERAGE:** This proposal requires all group health benefit plans that are delivered, issued, continued, or renewed on or after January 1, 2011, to provide coverage for the diagnosis and treatment of autism spectrum disorders for children through eighteen years of age. The coverage provided is limited to medically necessary treatment ordered by the insured individual's licensed treating physician or psychologist in accordance with a treatment plan. Coverage for the applied behavior analysis (ABA) services will have a maximum benefit of \$36,000 per year for children ages three through eighteen. Payments and reimbursements for ABA services can only be made to the autism service providers. Autism services cannot be subject to any greater deductible, co-insurance, co-payment, or utilization review than other physical health care services provided by the health

#### FISCAL DESCRIPTION (continued)

benefit plan. Coverage for treatment shall not be denied on the basis that it is educational or habilitative in nature. The provisions of this proposal shall apply to any health care plan issued to employees and their dependents under the Missouri Consolidated Health Care Plan, self-insured governmental plans, self-insured group arrangements, multiple employer welfare arrangements, and self-insured school district health plans. The provisions of the proposal do not apply to the MO HealthNet Program or any program administered or sponsored by the MO HealthNet Division within the Department of Social Services.

DISSEMINATION OF SCHIP COVERAGE INFORMATION - Under this proposal, the Department of Social Services is required to provide all state licensed child-care providers that receive federal or state aid and all public school districts written information regarding the eligibility criteria and application procedures for obtaining health insurance coverage through the state children's health insurance program (SCHIPP). This information is to be distributed to the parents at the time of enrollment. The proposal also requires the Department of Elementary and Secondary Education to add an attachment to the application for the free and reduced lunch program which will require the parent to check a box indicating whether the child has health insurance or not. If the child does not have health insurance, and the parent's income does not exceed the highest level established by federal law, the school district shall provide a notice to the parent that the uninsured child may qualify for health insurance coverage under SCHIP. The Department of Elementary and Secondary Education must submit an annual report on the number of families in each district receiving free or reduced lunches, the number of families that indicate the absence of health insurance coverage on such forms, the number of families that received information on the SCHIP program, and the number of families who applied for coverage under the SCHIP program because of the receipt of such information (Section 1).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

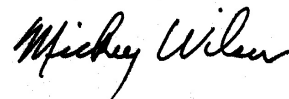
Office of Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Elementary and Secondary Education  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Corrections  
Department of Health and Senior Services

#### SOURCES OF INFORMATION (continued)

HWC:LR:OD

Department of Revenue  
Department of Social Services -  
    MO HealthNet Division  
    Family Support Division  
Missouri Department of Transportation  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Office of the Governor  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Senate  
Office of Secretary of State  
Office of State Treasurer  
Francis Howell School District  
Parkway School District  
Special School District  
Blue Springs School District  
St. Louis Public School District  
City of Centralia  
City of St. Louis

**NOT RESPONDING: Missouri House of Representatives, Office of Prosecution Services,  
Office of State Public Defender, and Counties, Cities and School Districts**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
May 3, 2010